



# ***Going Global, Staying Local***

*A Partnership Strategy for  
Export Development*

  
**NOVA SCOTIA**





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Export Development*





## ***Minister's Message***

At the centre of government's economic development is our strong commitment to help create a future of sustainable prosperity and abundant opportunities for all Nova Scotians.

We live in a fiercely competitive world. What happens abroad affects us every day here at home. Nova Scotia is a small province and now, more than ever, our businesses need to accelerate the search for new markets outside the province if they are to thrive.

Our success as a province is closely linked to our ability to increase exports and bring more dollars into our economy. We need to increase awareness of the importance of trade and create, and maintain, an environment that supports export growth.

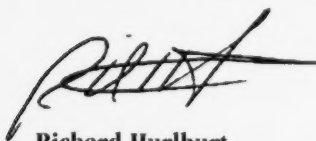
Going Global, Staying Local is Nova Scotia's partnership strategy for export development. It will build upon our solid foundation of successful trade initiatives, while introducing new programs to help small and medium-sized enterprises (SME's) grow and prosper.

Nova Scotia has a number of excellent large exporters but in order to improve on our performance, many of our SME's need to capitalize on their potential to expand.

About 90 per cent of all exporters in the province are small and medium-sized businesses, that is they have less than 500 employees and less than \$50 million in sales. Most are locally-owned and operated, and they have been a principal contributor to innovation and job creation in Nova Scotia. By their very nature, our small business community is entrepreneurial in spirit. It is that spirit that drives the launch of new businesses, the creation of new products and services and the discovery of new export opportunities.

In order to meet the challenges of growing Nova Scotia's economy in a highly competitive environment, we must support our businesses in their export initiatives so we can all thrive in an economy that is diverse, competitive and resilient to outside influences.

Going Global, Staying Local is a framework for export success. It focuses government efforts and resources where it can be most effective - giving Nova Scotia's exporters the support they need to succeed.



**Richard Hurlburt**

Minister of Economic Development

*December 2006*

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# Executive Summary

Nova Scotia is uniquely poised for long-term sustainable prosperity. To help achieve this aim, a wide range of government departments and agencies must work diligently and cooperatively with each other — and with the business community — to grow the province's exports.

**Going Global, Staying Local:** Nova Scotia's Partnership Strategy for Export Development provides the rationale and framework for a new, committed focus on exports. Developed with guidance from the Provincial Trade Committee, it sets specific, measurable objectives and puts practical plans in place to increase Nova Scotia's global competitiveness. This strategy will encourage small and medium sized businesses to tap into their entrepreneurial spirit, international vision and innovative capabilities so they can succeed today, and in tomorrow's business environment.

Exports are a critically important means of bringing external dollars into our economy. The limited size of the market within Nova Scotia means companies must expand their sales outside the province in order to grow. By entering or expanding into the export market, companies can realize greater economies of scale, productivity, profits, and innovation. This in turn strengthens the domestic labour market and rejuvenates and stabilizes the economy for long-term prosperity and social development.

While Nova Scotia's exports have roughly doubled in the past 25 years, export growth has fallen off in recent years. And, while Nova Scotia companies are somewhat less reliant on the U.S. market than other provinces, they are also far less likely to be exporters. Nova Scotia must develop an export culture and leverage its strengths to grow exports in a wide range of established and emerging sectors.

When it comes to international trade, Nova Scotia has many advantages. Proximity to markets, deep ice-free waters, and excellent rail, truck, marine, and air connections give our province a competitive advantage over other locations. At the same time, our highly educated work force and well-developed service sector point to enormous potential as the worldwide demand for specialized professional and technical services grows. Our high concentration of small and medium-sized enterprises represents another largely untapped well of export potential.

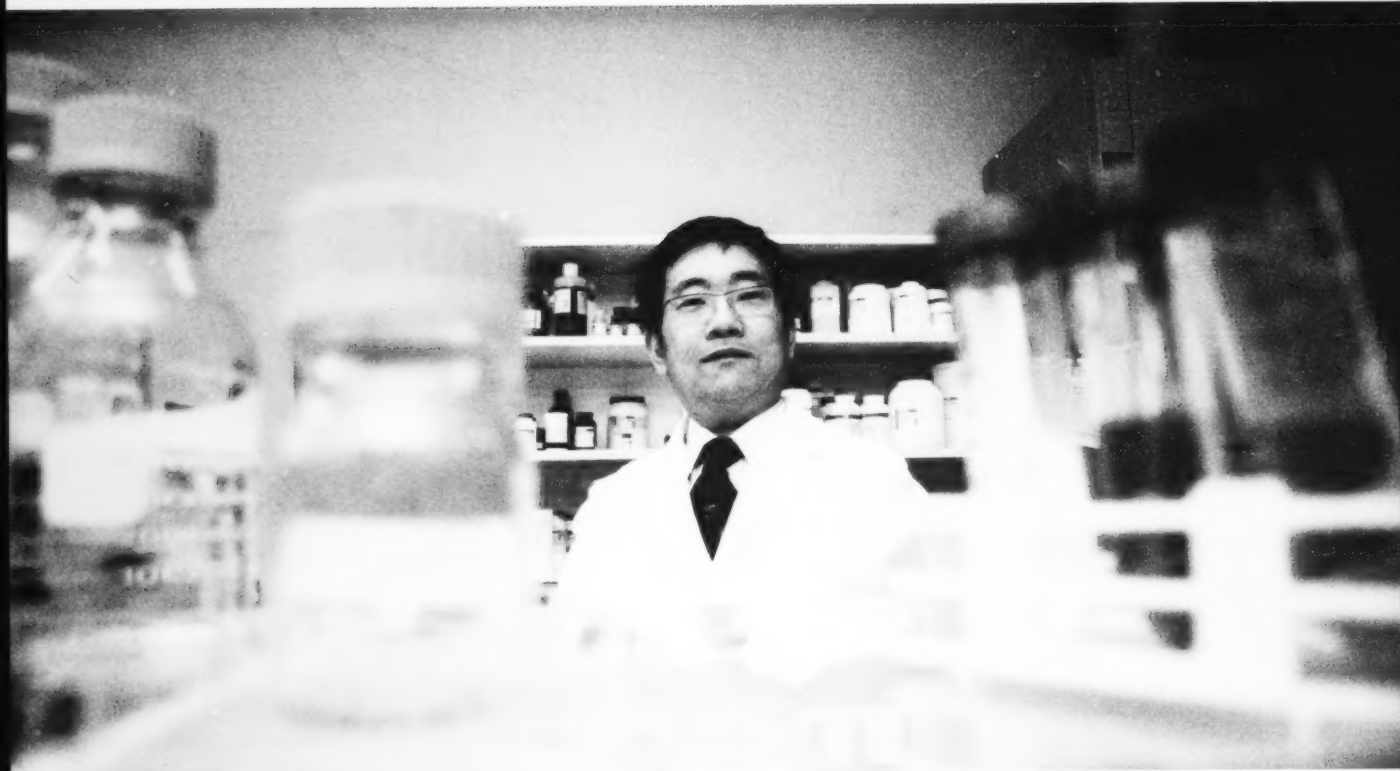
Working in concert, the public and private sectors will create a vibrant business environment that promotes and facilitates export success. Collaborative efforts to broaden potential buyers' perceptions of Nova Scotia as a productive place to do business will generate new opportunities for export growth.

The Provincial Trade Committee and its member organizations already work closely with the federal government, the business community, and other players to foster trade. These joint efforts will now support the strategic objectives set forth in Nova Scotia's partnership strategy for export development, *Going Global, Staying Local*.

## Strategic Objectives:

- Increase awareness of the important role trade plays in fostering prosperity
- Create and maintain an environment that supports export growth
- Appropriately allocate resources so that companies receive the assistance they need to export
- Support trade in services in order to develop this potentially strong component of the export sector

To achieve these objectives, the Government of Nova Scotia is proposing to invest close to \$3 million over the next three years to implement the more than thirty five action plans as outlined in section six of this strategy. Part of these funds will go to two new provincial funding programs to support the expansion of exports. The programs help Nova Scotia firms convert export leads into sales and develop the skills they need to become proficient, highly skilled exporters.



## **1.0** **Going Global, Staying Local: Nova Scotia's Goal for Export Success**

*We see Nova Scotia companies having the entrepreneurial spirit, international vision, and innovative capabilities to be competitive in the global marketplace.*



## 1.1 Why We Need a Provincial Export Strategy

Nova Scotia's future prosperity is linked to our ability to bring external dollars into our economy. In an intensely competitive global economy, Nova Scotians must build on their export experience and embrace the entire world as their marketplace. Only by looking outward will our businesses thrive over the long term. Yet an international perspective, however powerful, is not enough to realize our potential to expand sales of Nova Scotia products and services around the globe. We must set specific, measurable objectives and put practical plans in place to achieve our goal.

Nova Scotia's partnership strategy for export development — Going Global, Staying Local — is a cornerstone of this planning process. It will focus government support and resources on effectively promoting growth in exports. It builds on a solid foundation of successful trade and investment initiatives, while introducing key measures to help small and medium enterprises (SMEs) seize and profit from export opportunities. At the same time, it creates a framework for measuring and evaluating future success.

## 1.2 Why Exports Are So Important to Nova Scotia

*"Trade is a priority for economic growth. More than ever, our businesses need to accelerate the search for new markets outside the province."* From Nova Scotia's Growth Strategy, *Opportunities for Sustainable Prosperity 2006*

Nova Scotia's economy faces a number of challenges, such as a strong Canadian dollar, an aging workforce, and increased competition from emerging markets. The pace of globalization has accelerated tremendously, with markets becoming more open and competition more international, especially from markets like China, India, and Brazil. Nova Scotia firms must work harder to maintain existing market share in this increasing competitive global economy. Indeed, Nova Scotia must find its place in an altered landscape. As *Opportunities for Sustainable Prosperity 2006* urges, "we must look beyond our borders to determine our path forward. What happens far away can have an immediate and powerful impact on the Nova Scotia economy."<sup>1</sup>

To achieve sustainable prosperity in Nova Scotia, we must be aware of the outside forces that influence our economy. We must work together to develop an outward-looking, "world wise" business culture, so our companies can operate with confidence, meeting and exceeding world standards as they compete successfully in global markets.

Released in April 2006, *Opportunities for Sustainable Prosperity 2006* contends that, to increase growth, Nova Scotia must "focus on creating a business climate that encourages the production and export of sustainable products and services wherever opportunities present themselves."<sup>2</sup>

Exports are particularly important to Nova Scotia because of its aging and shrinking workforce and the relatively small size of the domestic market. Our population is less than one million — so companies that sell only within the province may not realize economies of scale in production. This limits profitability, which in turn limits the ability to invest in research, innovation, and new product development. Limited markets mean limited growth.

Successful exporting results in a more dynamic, innovative, and productive business community. It fosters a stronger domestic labour market and a more vigorous local economy. A strong economy generates resources for society to invest in what it values. In Nova Scotia, this includes high quality health care and education, a clean environment, abundant recreational opportunities, and safe highways. Economic growth is essential for Nova Scotia to achieve its vision: "A thriving Nova Scotia that is the best place in Canada to live, work, do business, and raise families."<sup>3</sup> Going Global, Staying Local will play a key role in achieving this vision by working towards its goal of increasing Nova Scotia's global competitiveness.

<sup>1</sup> Government of Nova Scotia, *Opportunities for a Sustainable Prosperity 2006*

<sup>2</sup> *Opportunities for Sustainable Prosperity 2006*

<sup>3</sup> Office of Economic Development, "Vision Statement," October 20, 2004  
<http://www.gov.ns.ca/econ/overview.asp> (October 20, 2004).

### **1.3 The Partnership Approach: Government's Commitment to Export Development**

Going Global, Staying Local is a government-based strategy to focus and facilitate our work with Nova Scotia businesses. It reflects our commitment to supporting Nova Scotia's success in the global marketplace through targeted, cooperative, engaging approaches. The provincial government agencies involved in trade are dedicated to working with each other and the business community to realize the province's vision for export development.

In 2003, these government agencies formally joined forces by launching the Provincial Trade Committee. This committee includes Nova Scotia Business Inc., along with the provincial offices and departments of Agriculture, Fisheries and Aquaculture, Economic Development, Energy, Environment and Labour, Finance, Intergovernmental Affairs, Natural Resources, and Tourism, Culture and Heritage.

The Provincial Trade Committee is charged with the task of leading a concerted, coordinated export development effort. Its guiding hand helped shape Going Global, Staying Local. The committee and all its constituent members are 100 per cent committed to enacting the steps laid forth in this strategy.

While government agencies cannot directly generate foreign sales or increase the number of exporters in Nova Scotia, they can create a supportive trade environment that increases exporters' chances of success. By working with each other and with industry, following a comprehensive and carefully laid out plan, they can help unlock the door to export success.



## **2.0 Nova Scotia's Export Performance**

*While approximately 70 per cent of the province's exports are in the goods-producing sector, the growing services sector offers tremendous promise.*

How well is Nova Scotia doing when it comes to exports? The overall picture is mixed. It shows areas of strength to build upon, as well as areas with weak export records to date. These areas of weakness represent substantial growth opportunities.

A look at the big picture shows that Nova Scotia exported over \$8.1 billion worth of goods and services to international markets in 2005,<sup>4</sup> up slightly from the previous year. The bulk of this total reflects traded goods. Trade in services is harder to track, but trade flow data shows just under \$1 billion in service exports is captured by this figure. On top of these international sales, the province exports an additional \$6.8 billion in goods and services to other provinces within Canada. Nearly one in five jobs in the provincial economy depends on exports. It is clear that further export growth would have a profound effect on wealth, job creation, and economic stability in the province.

While the above figures are substantial, Nova Scotia is not performing as well as other Canadian provinces when it comes to exports. If exports are excluded from a comparative analysis, Nova Scotia's per capita GDP—a widely accepted measure of relative prosperity—matches that of wealthier provinces such as Ontario. When international trade is added to the equation, however, Nova Scotia's relative performance declines. Nova Scotia is 9th in per capita international exports of goods—so there is great potential for improvement.

On the positive side, Nova Scotia is less reliant on the American marketplace than the rest of Canada, which sends over 90 per cent of its exported goods to the United States. Nova Scotia, by comparison, sends 80 per cent of its exports south of the border. While the United States is clearly the market of choice for Nova Scotia exporters, there are 162 other markets around the world importing from Nova Scotia. All of these markets offer potential for further market penetration.

To frame the export picture in the context of time, Nova Scotia's interaction with the rest of the world has increased dramatically over the past 20 years. In 1981, just 16 per cent of the province's GDP was comprised of exports—a number that grew to 28 per cent in 2005. The trend of rapidly increasing exports has fallen off in recent years, however, with total exports growing just 2.2 per cent per year over the last five years, compared to nearly 6 per cent a year in the late 1990s. Moreover, as Table 1 shows, the international export-generated share of the economy's GDP has remained more or less constant over the last five years.

This stagnation is partly due to the rising value of the Canadian dollar in the last couple of years. For exporters, this appreciation makes it seem that their prices are rising in comparison to other non-Canadian competitors. It is extremely challenging to grow exports in this environment—an important point to keep in mind when interpreting Nova Scotia's export performance.

Table 2 illustrates how the relative value of currencies can impact trade figures. This table shows how Nova Scotia's exports have grown, priced in US\$. While this is not a complete story, it does provide a more

**Table 1. Recent Trends for Nova Scotia**

	GDP (\$ Billions)	Int'l Exports of goods & services (\$ Billions)	Exports per capita	Int'l Exports as a % of GDP
2000	22.970	6.328	\$6,733	27.5%
2001	23.700	6.459	\$6,928	27.3%
2002	24.652	6.915	\$7,400	28.1%
2003	24.929	6.837	\$7,301	27.4%
2004	25.131	7.065	\$7,532	28.1%
2005	25.534	7.048	\$7,529	27.6%

Source: Provincial Economic Accounts, Statistics Canada, in millions of chained (1997) \$

**Table 2. Export Growth in US\$**

	Can\$/US\$ exchange rate	Exports of goods & services (US\$ billions)	Annual Growth rate
2000	\$0.6733	4.261	
2001	\$0.6458	4.171	-2.1%
2002	\$0.6368	4.403	+5.6%
2003	\$0.7135	4.878	+10.8%
2004	\$0.7683	5.428	+11.3%
2005	\$0.8253	5.817	+7.2%

Source: Provincial Economic Accounts, Statistics Canada, in millions of chained (1997) \$

<sup>4</sup> Reference: Statistics Canada, table 384-0002, 2005, Provincial Government Accounts

compelling picture of export success in the last few years — particularly in light of the fact that 80 per cent of Nova Scotia's exports are to the United States.

While Nova Scotia's exports have grown little in recent years, our largely untapped export potential is vast. For the small size of our population, we have a large number of companies. Yet Nova Scotia companies are nearly 40 per cent less likely to export than average companies in the rest of the country.

Rejuvenating Nova Scotia's export performance demands a three-pronged approach:

- Increasing the number of exporters in the province. The latest figures for 2004 show 901 establishments exporting from Nova Scotia, down from a high of 934 in 2002.<sup>5</sup>
- Supporting current exporters in growing their export volumes. Statistics show that, in 2003, Nova Scotia individual exporters' sales were less than the national average — some \$5.4 million per exporter, against the Canadian per-exporter average of \$8.4 million.<sup>6</sup>
- Diversifying the international customer base to reduce reliance on the U.S. market and insulate against the effects of fluctuating currency values.

## 2. 1 International Activities

*Opportunities for Sustainable Prosperity 2006* notes that "everything is connected." In other words, you can't discuss economic growth in a vacuum. Transportation networks, skilled workforce, and quality of life are interwoven threads in the fabric of economic growth. By the same token, it is difficult to focus on exports without considering related international activities such as imports, foreign direct investment, immigration, sustainable competitiveness, international students, and tourism.

The connections among these activities are becoming stronger, especially in the global trade environment. Trading relationships have become increasingly complex and interconnected through the phenomenon of integrative trade — a term that describes the many ways firms achieve the lowest possible costs to maximize their returns. The Conference Board of Canada has identified the new world of integrative trade as one

of four great challenges facing the country.

Through integrative trade, companies develop and distribute products and services through global supply chains spanning many countries. These firms are sourcing raw materials, labour, and supplier services in low-cost countries, then shipping their products to wealthier nations. As a result, close to one-third of world trade is now between related (intra) firms. The Provincial Trade Committee needs to monitor this trend and its implications for the province.

Issues such as sustainable competitiveness and immigration also influence a successful export culture. For example, a healthy immigrant population can foster connections and help develop export opportunities. According to a Canadian Manufacturers and Exporters (CME) report, *Hiring Immigrants: Opening Doors to New Opportunities*: "[Immigrants] can bring technical skills, linguistic diversity, international experience, and commercial contacts that can reduce the transaction costs of trade and expand markets."

A more productive economy will make Nova Scotia more competitive in the world. This competitiveness will enable the province to meet a primary goal — capturing increased revenue through trade, attracting new companies and investment to Nova Scotia.

To shed more light on the importance of tourism and international students, consider these examples:

- Provincial tourism revenues total \$1.29 billion a year. Over 60 per cent of these are pure export earnings. Although they are not captured in traditional export statistics, these revenues are considered a service export.<sup>7</sup>
- When international students study in Nova Scotia, they help connect the province to the world and spread the word about the quality of life and learning found here. They also contribute to the economy, with each student spending an estimated \$26,000 per academic year.<sup>8</sup>

The provincial government recognizes the economic importance of these diverse but interconnected areas; a wide variety of government departments and offices are working closely with key stakeholders on specific plans to address them. Important new initiatives

<sup>5</sup> Statistics Canada — Catalogue no. 65-506, *A Profile of Canadian Exporters*, 1993-2004, pg. 26

<sup>6</sup> Ibid, pg. 26

<sup>7</sup> *Presence of Natural Persons — Manual on Statistics of International Trade in Services*, United Nations

<sup>8</sup> Canada First: The 1999 Survey of International Students, prepared for the Canadian Bureau for International Education by Dr. Jim Walker, Walker Associates.

include Nova Scotia's Immigration Strategy, Near Shore Investment Strategy, Opportunities for Sustainable Prosperity 2006, and the Long Term Marketing Plan for the tourism industry. Together with Going Global, Staying Local, these initiatives will guide an informed and comprehensive approach to ensuring long-term economic prosperity.

## 2.2 The Nova Scotia Advantage

Nova Scotia is a natural intercontinental portal to North America. Proximity to markets, deep natural ice-free harbours, and excellent rail, truck, marine, and air connections give our province competitive advantage over other locations for capitalizing on the rising wave of global trade. By virtue of geography alone, we are ideally positioned to excel in international trade. We are one-day closer by air and water to Northern Europe and Asia via the Suez Canal than any other North American port; and Halifax is less than a two-hour flight from Boston or New York.

We are blessed with natural deep-water harbours. For more than 250 years, the Port of Halifax has been a gateway to North America — for settlers, goods, and military transport. This tradition continues to this day, with 14 million tonnes of cargo and 200,000 cruise ship passengers flowing through the Port of Halifax each year. In 2004, the total cargo handled by the Strait of Canso Superport Corporation was 24.8 million metric tonnes making it the second largest cargo port in Canada. They are a significant player, with plans to expand their cargo handling capacity.

The Port of Halifax and the Halifax Gateway Council continually builds on its natural assets. The Port of Halifax handled 526,000 TEUs of container cargo in 2005, it's the third largest container port in Canada. Recent advances include CN's coast-to-coast double stack rail service, post-Panamax capabilities, and a new cargo distribution and warehouse facility. The port is also investing in a progressive security plan that will make it one of the safest ports in the world — an important competitive advantage.

Our airport is another Nova Scotia advantage. Atlantic Canada's principal full-service airport, Halifax International Airport, welcomes more than three million passengers each year. As the region's hub,

it connects business travelers and cargo shippers to strategic locations in the United States and Europe. Halifax International Airport Authority's multi-year \$220 million Airport Improvement Program has dramatically expanded and enhanced facilities for domestic and international travel. With U.S. Pre-clearance now approved and facilities in the works, business travel to key American centres will be more convenient than ever.

Our highly educated workforce is another vital asset. Nova Scotia is home to 11 universities, 13 community college campuses, more than 100 high schools, and some of the best language schools in Canada. This small province offers more education opportunities per capita than any other place in the country. Nova Scotians are, in fact, the most educated people in Canada. This makes Nova Scotia the ideal place for high-tech, IT, life sciences, and other knowledge-based companies to locate operations. Our strong post-secondary sector fosters a vibrant research and discovery community with the potential to develop many new products and services for export.

Nova Scotia's natural beauty, seafaring history, safe and peaceful communities, and stable political environment coalesce to render a unique and unparalleled lifestyle. Peace and security allow community, creativity, and innovation to flourish. Our strong rural heritage and sometimes harsh environment has shaped a people who are resourceful, dependable, and true to themselves and each other. These characteristics — and our long history of trade — forge a powerful advantage as we take ever greater strides in the world of international trade.

## 2.3 Nova Scotia Export Strengths and Opportunities

Nova Scotia has a growing and diverse export economy with gas, fish, tires, pulp and paper, wood, and wood products topping our export list. While approximately 70 per cent of the province's exports are in the goods-producing sector, the growing services sector offers tremendous promise. We have already seen rapid growth in business and computer services exports in recent years.



The reality of Nova Scotia's export picture is that the majority of the province's exports can be attributed to a handful of foreign-owned firms, whose contributions to our economy are vast. Local SMEs can also benefit from the success of these companies. For instance, SMEs can lever the foreign market penetration of these larger firms into business opportunities for themselves. This approach has worked well in the oil and gas industry, where smaller supply and service firms have parlayed their local experience and contacts into international contracts in such areas as rescue training, environmental engineering, and oceans technology.

In many cases, sectors that have typically driven the economy in the past have been able to adapt to the challenges of the changing global landscape. So, for example, we now have a growing aquaculture, agri-food, and nutraceuticals industry, in addition to traditional exports of fish and agriculture products. Nova Scotia's diverse sectors, exports, and the markets of interest are covered in greater detail in section 8.

The Office of Intergovernmental Affairs prepared a snapshot of Nova Scotia's international activities in 2004 that highlighted Nova Scotia's international reputation for excellence in such areas as emergency preparedness, solid waste management, and the development of educational programs and cultural products for export. These emerging niche industries are examples of how successful exporters in one sector can create an awareness of our province as innovative and progressive — building reputation and goodwill that benefits other sectors in the region.

There are many fine examples of this phenomenon in Nova Scotia, including such world-renowned institutions as the Coady International Institute, the Brain Repair Centre, and the Canadian International Demining Corps. These organizations are creating and projecting an image of Nova Scotia as a place that fosters leadership and centres of excellence. These strengths help define Nova Scotia's reputation and provide a powerful advantage to firms offering complementary products or services.



## **3.0 Government Support for Exporters**

*Nova Scotia supports exporters through a decentralized yet coordinated approach to trade development. Provincial line departments (Agriculture, Fisheries and Aquaculture, Environment and Labour, Energy, Natural Resources, and Tourism, Culture and Heritage) support sector development not just in trade, but in such areas as innovation, commercialization, and improved productivity. The Offices of Economic Development, Intergovernmental Affairs, and Finance provide corporate leadership on broad-based issues that affect the economy as a whole.*



Nova Scotia Business Inc. (NSBI) is the province's business development agency. It helps drive economic growth by helping businesses expand and by attracting new investment to Nova Scotia. It plays an active role in trade promotion and development, particularly in such sectors as aerospace and defense, information and communications technology, life sciences, services, manufacturing, and consumer products. NSBI often takes the lead on multi-sector initiatives.

Collectively, these departments and agencies work with Nova Scotia companies, associations, and educational and research institutions to expand exports by

- facilitating matchmaking services in markets abroad
- organizing trade missions
- providing market and sector information
- working with industry associations to develop sector-based trade initiatives
- providing export skills training
- addressing systemic trade barriers

To optimize government's impact on trade development, NSBI and all the provincial government departments with trade mandates joined forces to create the Provincial Trade Committee (PTC) in 2003. The PTC meets every two months to address issues and concerns, share information, develop collaborative initiatives, and facilitate cooperation among sectors. Members are committed to working together to put *Going Global, Staying Local* into action to achieve Nova Scotia's vision for export success.

Trade Team Nova Scotia (TTNS) is another important vehicle for export growth. This federal-provincial partnership mobilizes and coordinates successful trade-related efforts across an array of government departments and agencies. Its members provide practical trade-related programs and services to active

and potential exporters. The provincial government leverages its involvement in TTNS to promote exporting to Nova Scotia companies and strengthen export development services to SMEs.<sup>9</sup>

Nova Scotia's new *Come to life*<sup>10</sup> brand is another important government-led initiative that will foster export growth. Research revealed that stakeholder groups in key markets perceive Nova Scotia as a place to visit, not as a place to do business and invest. *Come to life* promises to change these perceptions, with a singular, powerful message that highlights Nova Scotia's attributes and capabilities.

It provides well-tested messages and images for government organizations and private firms to apply consistently in their marketing and communications to strengthen Nova Scotia's business image with potential customers. The collective effect will be worldwide recognition of the quality and innovation of Nova Scotia's products and services — and a more prosperous economic future.

### 3.1. Getting Started

Assistance for firms looking to develop new markets through exports starts long before the first trade mission. To prepare for the sales, companies need to move from being potential exporters, to being export-ready. A variety of programs and services are available nationally, regionally, and provincially to assist Canadian exporters. The export continuum shown below identifies the types of services available at each stage of export development.<sup>11</sup> Members of Trade Team Nova Scotia work together to ensure that Nova Scotia exporters (and potential exporters) are aware of these services and programs, and support each other's efforts to ensure firms are export ready before going to market.

<sup>9</sup> Trade Team Nova Scotia's 26 members are a) federal departments and agencies: Agriculture and Agri-food Canada, Atlantic Canada Opportunities Agency, Business Development Bank of Canada, Canada Border Services Agency, Canada Mortgage and Housing Corporation, Canada/Nova Scotia Business Service Centre, Canadian Commercial Corporation, Canadian Heritage, Canadian International Development Agency, Enterprise Cape Breton Corporation, Export Development Canada, Foreign Affairs & International Trade Canada, National Research Council, Industry Canada; b) NGOs: Atlantic Canada World Trade Centre, Canadian Manufacturers and Exporters, EduNova, Greater Halifax Partnership, and the Nova Scotia Associations of RDAs; and c) provincial departments and agencies: Agriculture, Fisheries & Aquaculture, Environment & Labour, Economic Development, Nova Scotia Business Inc., Tourism, Culture & Heritage, and Energy. Information on Trade Team Nova Scotia can be accessed on its website, [www.ttns.gov.ns.ca](http://www.ttns.gov.ns.ca)

<sup>10</sup> Nova Scotian firms now have access to a wealth of 'Come to life' tools and materials. The Office of Economic Development can help you register for the [novascotialife.com](http://novascotialife.com) web portal, partner logon site, so you can access the Guide to Getting the Most Out of the Nova Scotia Brand, and other tools to assist you in telling Nova Scotia's story

<sup>11</sup> This continuum, originally proposed by Team Canada Inc., has been adopted by Regional Trade Networks such as Trade Team Nova Scotia.

## Export Services Continuum

Exporter Cycle	Potential Exporter		Preparing Exporter			Exporter
Service Areas	General Information	Skills Development	Export Counseling	Market Entry Support	Export Financing	In-market Assistance
<b>Core Services</b>	Export Information Service 1-888-811-1119	Export Preparation Service Guides	Export-readiness Assessment	Market Information and Intelligence	Needs Assessment & Counseling	Market Prospects
	ExportSource exportsource.gc.ca	Export Skills Training	Export Plan Development	Trade Missions and Trade Related Events	Provision of Working Capital	Key Contacts Search
		Preparation for U.S.	Export Plan Implementation	Market-specific Advice & Guidance	Foreign Risk Mitigation	Visit Information
		Preparation for other Markets		Market Development Funding	Medium/Long Term Foreign Buyer Financing	Direct Contact Local Company Information Troubleshooting

*Federal/Provincial/Territorial Governments  
Sector and Bilateral Associations  
Private Sector Educational Institutions*

### 3.2. Market Development

The provincial government plays a major role in growing exports through strategies that develop specific geographic markets. The government researches and evaluates new markets in a variety of ways, applying three key criteria in making final market selections:

**Balance** – Does the market align with the department or agency's strategic plans in promoting traditional, diversified, and emerging markets?

**Fit** – Is the market consistent with the unique business strategies, interests, and capabilities of its individual exporting firms?

**Capability** – Can an export development initiative be professionally, economically, and effectively undertaken in this market?

The government also considers the past experience of other exporters in the market, and any active agreements or memoranda of understanding with the region.

In addition, government helps firms identify opportunities in non-geographic markets, such as international financial institutions, global development funds, or global supply chains.

#### 3.2.1 Market Development: Taking Advantage of Canadian Market Opportunities

While people tend to equate exports with international trade, sales to other provinces inside Canada are also counted as exports. In fact, selling to other provinces is an excellent way for Nova Scotia companies to 'get their feet wet' in the export arena. This is already happening to a considerable extent. As mentioned earlier, exports to other provinces totaled \$6.8 billion in 2005, almost matching the value of international exports the same year. Building on experiences acquired in their home provinces, many companies make their first intra-Canadian export sales by bidding on public procurement contracts with the Government of Canada or other provincial governments.<sup>12</sup>

<sup>12</sup> Office of Economic Development manages the province's Supplier Development Program. The goal of this program is to maximize the positive impact of public sector expenditures (investments) on goods, services and construction to grow and diversify the economy, and to improve competitiveness of Nova Scotia businesses.

### **3.2.2 Market Development: Approaching the International Market**

Nova Scotia companies can stay abreast of export opportunities through a variety of web portals. SourceCan is particularly noteworthy. This secure Web-based e-marketplace matches Canadian companies and their products and services with procurement opportunities posted by domestic and foreign corporations and governments. It facilitates trade and empowers small and medium-sized Canadian companies to compete in the global trading environment.

Other organization may choose to pursue contracts through the Canadian International Development Agency (CIDA) or through CIDA Inc. This industrial cooperation program helps Canadian firms interested in forming long-term business relationships in developing or transition countries. More information is available at [www.acdi-cida.gc.ca/cida\\_ind.ns](http://www.acdi-cida.gc.ca/cida_ind.ns)

### **3.2.3 Market Development: Leveraging Active Agreements**

Nova Scotia has a number of active memoranda of understanding (MOUs) with other countries. Many of these articulate mutual trade interests. Such MOUs are important vehicles for creating a positive environment for exporters.

Some countries consider MOUs to be an essential first step in developing a trading relationship. MOUs tend to be specific to certain cultures rather than an established trade development practice. When appropriate, such agreements can be strategic and help focus future activities. These agreements are not entered into lightly and often represent the culmination of significant time and effort by the signing parties.

Companies looking to develop new export markets should pay particular attention to countries already engaged in active trade-related agreements with Nova Scotia. They are potentially fertile territories that warrant serious consideration. Interested companies can obtain information about active agreements from Intergovernmental Affairs.



## 4.0 **The Role of Small & Medium Enterprises (SMEs) in Growing Trade**

*Canadian Federation for Independent Business (CFIB) estimates that nationally, over half of Canada's SMEs (51 per cent) engage in trade either directly through imports or exports (36 per cent) or as part of a supply chain that helps other businesses contribute to Canada's trade activities (15 per cent<sup>13</sup>). CFIB contends that "expansion in trade, whether international or interprovincial, is an important component of a healthy SME sector and for the economy as a whole."<sup>14</sup> The study also found that SMEs that engage in international trade are relatively more optimistic about their future economic performance than non-trading firms.<sup>15</sup>*

<sup>13</sup> Canadian Federation of Independent Business, (CFIB) Report on Trade, October 2004, pg. 2

<sup>14</sup> Ibid, pg. 2

<sup>15</sup> Ibid, pg. 5

Exporting offers companies a world of opportunities that simply cannot be realized in local markets.

Through exporting, firms can:

- increase sales and profits
- enhance their overall competitiveness
- realize economies of scale in production by enlarging their sales base and spreading fixed costs
- take advantage of high-volume purchases in large markets overseas
- learn about advanced technical methods used abroad
- create and/or maintain jobs
- improve the company's overall return on investment
- equalize fluctuations in business cycles
- lack of knowledge of export markets
- lack of familiarity with exporting practices
- unsuitability of products/services for selected markets
- increasing price competition
- difficulty navigating foreign trade regulations and practices
- challenges addressing non-tariff barriers such as environmental regulations
- lack of capital to finance the cost of developing export markets
- lack of appropriate human resources/skills.<sup>19</sup>

*Source: International Marketing Strategy, Chartered Institute of Marketing*

Small and medium-sized enterprises (SMEs) make up the bulk of business establishments in Nova Scotia (97 per cent)<sup>16</sup>. They are significant employers in the province — with 53 per cent of employed Nova Scotians work for SMEs.<sup>17</sup> On the other hand, larger firms employing 500 or more people account for less than one per cent of the business sector.<sup>18</sup>

One approach for Nova Scotia to expand its export capacity is to increase the number of SME exporters and help current exporters (predominantly SMEs) export more. This will require a coordinated approach by both government and industry.

In terms of the number of firms exporting, Nova Scotia is not keeping pace with the rest of Canada. Nationally, one in twenty-two firms are exporters; in Nova Scotia, only one in every thirty-five firms export. To meet the national average, Nova Scotia needs another 500 firms to enter the export arena.

Research conducted on behalf of Atlantic Canada Opportunities Agency (ACOA) indicates that the export performance of Nova Scotia SMEs is generally lower than their counterparts in all other provinces except Prince Edward Island. The small size of the Nova Scotia market means that many SMEs need to consider exporting in order to expand their operations and grow their business. The relatively low export performance by SMEs in Nova Scotia is due in part to:

While these obstacles are real, they are fairly consistent across the country. What may be a more challenging barrier in Nova Scotia is what may be defined as the lack of an "export culture" within many SMEs. Research conducted in developing this strategy showed that many Nova Scotian companies are operating in their comfort zone. They are comfortable with their current markets and do not consider exporting a viable option. Some firms don't believe they have a product that would be competitive in a global marketplace.

Together these challenges present a significant barrier to export growth. Provincial government departments and agencies are working to remove attitudinal, regulatory, and financial barriers by addressing SME exporting needs. At the same time, they are working together to foster an awareness of the role trade plays in fostering prosperity. Going Global, Staying Local ties all these efforts into a comprehensive, action-oriented strategy for export growth.

#### 4.1 Supporting SME Service Exporters

Service exports are a vital component of Nova Scotia's trade mosaic. Exporting a service entails selling a service to a foreigner, regardless of where the transaction takes place. The most obvious difference between exporting a good versus exporting a service is that for services, the export is invisible. Because services are intangible and the service is not actually created until it is delivered, it is critical for service providers to develop profile and credibility in new markets.

*The General Agreement on Trade in Services (GATS)*

<sup>16</sup> Statistics Canada, Business Register, December 2004

<sup>17</sup> Statistics Canada, Survey of Employment, Payrolls and Hours (SEPH), 2004

<sup>18</sup> Statistics Canada, Business Register, December 2004

<sup>19</sup> ACOA, Exporting and Investment Gap Analysis for Nova Scotia, March 2003

groups trade in services into four modes of supply: provided across a border; provided to a foreign visitor; setting up a commercial presence abroad; or travelling to a foreign country to deliver the service.<sup>20</sup>

Nova Scotia service exports represented approximately one-quarter of Nova Scotia's exports in 2005, just slightly below the national average of 28 per cent. The provincial gap may be due more to difficulties in tracking services than an actual relative performance lag in Nova Scotia's service exports. It is generally acknowledged that current data significantly underestimates the aggregate value of trade in services.

While Nova Scotia's service sector may already be performing better than the above figures indicate, there is room for further export growth in this sector. According to Statistics Canada, the service sector accounted for 77 per cent of total employment in the province in 2005, making it the fastest-growing sector of the economy. The 2002 Centre for Spatial Economics Main Drivers study concluded that, "the economic drivers of Nova Scotia and Halifax in recent years have been heavily concentrated among the 'tradable service' sectors."<sup>21</sup> Together these studies point to a deep well of untapped export capacity in the service sector.

Expanding service exports will reduce our reliance on the U.S. market. While 87 per cent of Canada's exported goods go to the U.S., less than 60 per cent of our service receipts are provided by the U.S.<sup>22</sup> In other words, Canada's service exports are more geographically diversified. By maintaining a diverse customer base as we grow our overall service exports, we can develop a much more balanced and stable export scenario for Nova Scotia.

Nova Scotia service exports encompass a broad range of industries: agriculture and fisheries; banking and insurance; architectural, construction, and engineering services; education and training; energy and environmental services; entertainment and culture; health care; information, legal, and other business services; telecommunications and technical services; and tourism, transportation, and travel.

Trade in services is currently the fastest growing component of international trade. The overall structure of production and trade — in Canada as well as globally — appears to be shifting in favour of services.<sup>23</sup>

Canada's service exports amounted to Cdn \$65 billion in 2005, which puts it somewhere between forestry and energy in terms of economic importance. Services make up about 60 per cent of global economic activity, and account for 20 per cent of global trade at about US \$2.5 trillion annually. While many services cannot be traded (personal services such as hair salons or some medical services), improvements in communication technologies are making services more internationally tradable. For example, the outsourcing of business processes like HR is growing in popularity.<sup>24</sup>

The Conference Board of Canada has called on Canada to develop a sound strategy to strengthen both the performance of its key service industries and the capacity to sell them internationally. Part of its recommendations is a call for more effective promotion and facilitation of trade and investment in service industries to allow and encourage Canadian firms to compete globally.<sup>25</sup>

Recognizing the importance of such a strategy, the Provincial Trade Committee has identified service exports as a priority area for development and has already taken steps to support service exports. For example, NSBI has dedicated a trade officer to the specific needs of service industries. NSBI also administers the Service Export Program (SEP), a provincial funding program that addresses the challenges of relationship-based marketing encountered by many service companies. After a successful pilot in 2005, the program is now established and early results indicate it is being embraced by industry.

Together, federal and provincial government agencies and departments are embarking on a concerted effort to raise awareness of service exports and their value—as well as the opportunities waiting to be seized by enterprising service firms. These steps are further articulated in section 6.1.4.

<sup>20</sup> Economists divide services trade into three categories — commercial services, transportation services and travel.

<sup>21</sup> The Centre for Spatial Economics, *The Main Drivers Study, The Province of Nova Scotia*, May 2002, pg. 6

<sup>22</sup> Export Development Canada, *World Trade in Services*, July 2006

<sup>23</sup> Conference Board of Canada, *Opportunity Begins at Home, Enhancing Canadian Commercial Services Exports*, April 2006, pg. 2

<sup>24</sup> Export Development Canada, *World Trade in Services*, July 2006

<sup>25</sup> Conference Board of Canada, *Opportunity Begins at Home, Enhancing Canadian Commercial Services Exports*, April 2006, pg. 4





## **5.0** **Continued Commitment to Exporters**

*For Going Global, Staying Local to be effective, government must commit to putting the strategy into action. This involves working with partners to create an environment that supports Nova Scotia's export vision.*

It is not enough for government to be committed — SMEs must also be committed. Private sector activities to export products and services will ultimately determine Nova Scotia's success. *Opportunities for Sustainable Prosperity 2006* acknowledges that the real engine of economic growth is private-sector businesses and individuals working on new ideas and new opportunities. Nova Scotia companies are indeed making strides forward, but there are always challenges to overcome. Nova Scotia needs to enact a long-term, sustainable approach to export development, to encourage sometimes risk-adverse companies to take the initial steps towards exporting, to help them develop their export potential, and to alleviate some of the risks inherent in international sales.

While some provincial funding mechanisms are available for companies, most of this funding is sector based. Going Global, Staying Local recommends new programs to support export development. These programs will support new exporters by ensuring they are well prepared to enter foreign markets, while providing financial incentives to encourage continuous, systematic exporting. They will be an important step to ensure we are taking a sustainable approach to export development, investing in our companies as they in turn invest in the province.





## **6.0 Strategic Objectives: Goals and Outcomes**

*The Nova Scotia government's 2006–07 vision calls for “a stronger, safer, healthier Nova Scotia that inspires people to succeed here at home.” The strategic goals of the export strategy are aligned with this vision and significantly advance the government's intention to provide “an economic environment that is robust and diversified.”<sup>26</sup>*

## 6.1 Strategic Objectives

To achieve Nova Scotia's export development goals the Provincial Trade Committee will focus on four strategic objectives:

- Raise awareness of the important role trade plays in fostering prosperity.
- Create and maintain an environment that supports export growth.
- Appropriately allocate resources so that companies receive the assistance they need to export.
- Support trade in services in order to develop this potentially strong component of the export sector.

The Provincial Trade Committee has identified a series of goals, outcomes, and actions to support each of these strategic objectives.

### 6.1.1 Raise awareness of the important role trade plays in fostering prosperity

**Goal:** Communicate the importance of an active exporting community by showcasing Nova Scotia's advantages at home and abroad.

**Outcomes:** Government is heavily committed to supporting trade; the public and the business community are acutely aware of the importance of export activity to Nova Scotia's economy.

**Actions:**

- Prepare a provincial State of Trade report to direct government priorities and actions.
- Communicate export success stories celebrating the export achievements of SMEs and encouraging potential exporters to look to the government for information on becoming active exporters (ad campaigns, trade and business magazines, websites).
- Strengthen the content and improve visibility of provincial export initiatives and programs on government websites.
- Continue support for the Provincial Export Achievement Awards.
- Promote Nova Scotia's trade strengths through marketing materials (brochures, banners, displays).

- Align efforts of government partners to ensure consistent communication about Nova Scotia's unique selling proposition (Brand Nova Scotia; Immigration Strategy, etc).
- Support and encourage all levels of the educational system, from elementary through university, to foster an international outlook among young people.
- Encourage initiatives and organizations that support improved integration of immigrants and foreign students into Nova Scotia workplaces (MISA, Chambers of Commerce, Canadian Manufacturers and Exporters, and universities and colleges).

### 6.1.2 Create and maintain an environment that supports export growth

**Goal:** Develop and maintain the necessary environment for Nova Scotia exporters to pursue domestic and international market opportunities.

**Outcomes:** Provincial efforts are aligned with efforts of other trade partners to identify export impediments and opportunities and seek solutions; SMEs have embraced an outward-looking vision.

**Actions:**

- Facilitate export development through strategic government-to-government alliances (TTNS, Provincial Trade Committee, and others).
- Identify and address gaps and challenges in trade programming.
- Hold an annual focus group session with exporters on trade-related matters.
- Identify and lobby to reduce and remove systemic barriers to export growth.
- Respond to trends such as integrative trade and investigate potential impacts on economy.
- Share and collaborate on trade-related projects and best practices aimed at export development (multi-sector missions, trade officer training, etc.)
- Develop and maintain a customer-focused approach to delivering export-related services; demand-driven programming and support is critical to success.
- Identify and support opportunities to train and

educate new and existing exporters, cooperating on joint programming wherever possible (export cafés, trade supplier information sessions, and market and business development training).

- Share information about market opportunities and government partnerships among Nova Scotia trade partners through an e-newsletter or other means.
- Identify active and potential exporters and encourage their registration with government databases (provincial and/or federal) as a vehicle to identify sector and geographic priorities.
- Actively encourage Nova Scotia-based industry associations in their efforts to develop trade clusters.
- Ensure that sectors with export potential that fall outside the mandate of a government line department are represented by NSBI or another government agency (such as the Nova Scotia Film Development Corporation).
- Study longer-term trends in areas such as tariff and non-tariff barriers to trade, and demographic and geopolitical changes, to anticipate shifting export opportunities and identify ways of making inroads into those dynamic emerging markets.

### **6.1.3 Appropriately allocate resources so that companies receive the assistance they need to export.**

**Goal:** Work with trade partners in all levels of government, business, regional development authorities, chambers of commerce, local export associations, and others to ensure government trade resources are effectively used to maximize benefits to Nova Scotia companies and the province's long-term prosperity.

**Outcomes:** Government support for export development is directed to those areas that need it most, while duplication is minimized.

#### **Actions:**

- The Provincial Trade Committee will retain a budget of \$25,000 per year to guide the implementation of the provincial export strategy and undertake initiatives that advance the strategy's goals.
- The province will continue to support Trade Team Nova Scotia activities — to a maximum of \$30,000 per year.

- Establish programs to support Nova Scotia companies pursuing exports outside the Maritimes.
- Trade expertise will remain sector-based and continue to reside within line government departments and NSBI.
- Develop and maintain a client-focused approach to export service delivery; demand-driven programming and support is critical to appropriate allocation of resources.
- Monitor the effectiveness of services and programs and consult with partners annually to review the export strategy and make any necessary changes to direction and approach.
- Hold an annual stakeholder event to address and resolve collective export development issues.

### **6.1.4 Support trade in services in order to develop this potentially strong component of the export sector.**

**Goal:** To stimulate and support increased export activity among Nova Scotia's service exporters. This will be achieved by raising awareness of the important economic contributions of service exporters; increasing recognition of the important role service exports can play in marketplace diversity; and supporting service exporters in addressing their unique challenges.

**Outcomes:** Service exporters will be clearly identified and effectively supported through a range of programs. The service export sector will be better understood through improved measurement, maximizing growth opportunities in this vital sector.

#### **Actions**

- Define the top 8–10 industries active in Nova Scotia's service sector, and identify current and potential export levels in these industries.
- Identify 30–40 active exporters and have them register with the province.
- Identify 15–20 potential service exporters and encourage them to consider exporting their services, individually or through partnerships with existing exporters.

- Encourage collaboration among service exporters and the federal and provincial governments through hosting at least two or three seminars, training workshops, and activities related to service exports.
- Build capacities and export-readiness of less-experienced exporters through partnerships with experienced exporters; this will be achieved through active identification and recruitment of service exporters to seminar and training programs.
- Encourage private sector-public sector partnerships through international financial institutions training and development initiatives, participation in funding programs such as the Service Export Program, etc.
- Encourage and support collaboration and cooperation among Nova Scotia firms to launch a "Team Nova Scotia" approach, nationally and internationally.
- Continue funding the Service Export Program (SEP), which addresses the unique challenges faced by service exporters.



Nova Agri Inc.

## **7.0 Conclusion: Significance of Going Global, Staying Local**

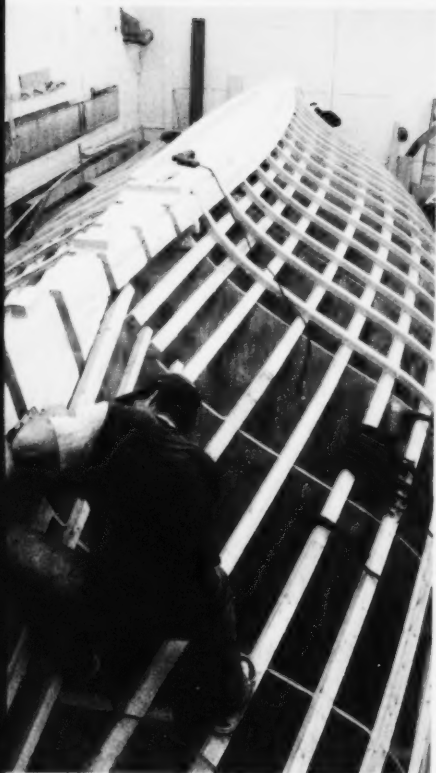
*This strategy marks a significant step on the journey to creating an environment that supports and promotes the expansion of Nova Scotia's exports. By recognizing the importance of trade to Nova Scotia's economy, and identifying concrete goals and actions to support and grow exports, the strategy creates a competitive framework that will enable companies to excel in their export ventures.*

Going Global, Staying Local also articulates Nova Scotia's export position and competitive advantage to partners at home and abroad. This strategy signifies government's commitment to export growth and helps others see that Nova Scotia is actively engaged in fostering trade relationships at all levels.

To support this strategy, Nova Scotia will develop a provincial State of Trade report within its first year to explore Nova Scotia's position in the global economy. The report will analyze key developments in the province's international trade activities and examine future prospects for trade and investment.

In closing, Going Global, Staying Local is not meant to be a static document. The Provincial Trade Committee members will work together to lead this strategy into action. Specific plans are in place to monitor and evaluate the activities and programs on an ongoing basis to ensure that we are meeting our objectives and achieving our goals. Flexibility and adaptability, which are key elements of any successful business strategy, must apply here as well. As an evergreen document, we will be mindful of changes in the marketplace and new challenges facing our industries, and adjust our objectives and activities accordingly.

For Going Global, Staying Local to truly hit its mark, government must make a prolonged commitment so that SME exporters have adequate time and opportunity to benefit from the strategy. Going Global, Staying Local advocates a minimum three-year commitment from government so that departments and the business community can work together to fully develop the activities and accomplish the objectives. With sustained funding support and concerted, collaborative action by all the players, we can help transform the face of Nova Scotia's export economy — to the maximum benefit of the people of Nova Scotia. In essence, it will play a fundamental role in achieving the province's vision: "A thriving Nova Scotia that is the best place in Canada to live, work, do business, and raise families."



## **8.0** *Sector Profiles*



## Aerospace and Defense

### 1. Sector Overview

Beyond the \$1 billion net direct impact of military spending in the province, the strong industry base in aerospace, defense, and related sectors generated sales in excess of \$600 million in revenues each year. The diversified highly skilled workforce employs 6,000 persons. The combined value of Aerospace and Defense Industries Association of Nova Scotia members' annual sales, with DND expenditures, represents more than 6 per cent of the provincial GDP with a combined work force of 59,000 (including direct and indirect), or 14 per cent of the provincial work force. Prospectively, there is \$15–20 billion in potential major crown procurements under consideration for the next decade, a significant portion of which will accrue to the Atlantic Region.

In addition to the aerospace and defense and related activities, there is a heightened focus on emerging areas like marine security and ocean and space technologies to create a cluster of advanced technology companies that align with Nova Scotia's interest in driving a stronger innovation culture. The intent is to optimize benefits and create an edge for the industry in attracting investment utilizing increased collaboration with university research, development, and commercialization initiatives.

### 2. Target Markets

- Europe (United Kingdom, France)
- United States
- Canada

### 3. Key Initiatives

- Continue to develop the industry association export strategy, including the implementation of a Boost Aero Pilot in two companies in Nova Scotia and hosting inward missions from international association partners like the North West Aerospace Alliance, Aerospace Wales Forum, etc.
- Expand the existing network of small and medium-sized enterprises in the aerospace and defense sector, and enhance the competitiveness of these Nova Scotia companies, through industry-development initiatives.

- Continue international marketing of the region's aerospace and defense industry in Europe. Attend global industry trade events, like Farnborough International and the Paris Air Show, which provide an important opportunity to target the aerospace and defense industry in the European market.
- Complete business case sector analysis to use as an investment attraction tool and as a compelling illustration of the value proposition that Nova Scotia aerospace and defense companies present to potential partners.

### 4. Looking Forward

The sector seeks to expand and position itself for access to global market opportunities, both military and commercial, through access to government programs for industrial development and promoting IRB program opportunities. Given the focus on innovation, manpower, research and development, and increased productivity, the Nova Scotia aerospace and defense sector will continue to meet the challenges that are critical to building a 21st-century economy.

## AGRICULTURE

### 1. Sector Overview

In 2001, Statistics Canada enumerated 3,923 census farms in Nova Scotia. In 2004, farm cash receipts totaled roughly \$451.4 million. Nova Scotia's agricultural sector is highly diversified. Dairy is the largest sub-sector, accounting for a quarter of market receipts. Horticulture, which includes apples, berries, and greenhouse products, also makes up a high percentage of the industry. Nova Scotia is home to many active poultry/egg and livestock operations (cattle, hogs, sheep). In recent years, the highest growth sectors within primary agriculture have been mink, chicken, blueberries, and some vegetable crops. The value-added sector is growing and continues to diversify.

• Number of firms (2001)	3,923
• Number of employees (2001)	13,000
• Agricultural products	\$50.3 million
• Manufactured food and beverage exports (e.g., seafood)	\$221.6 million
• Food, beverage, and agricultural product exports	\$271.8 million



## 2. Target Markets

- United States – Trade Corridor (Boston to Louisiana)
- Focused approach in South America
- Japan
- Northern Europe

## 3. Key Initiatives

- Continue to develop and implement federal and provincial market/trade strategies with industry stakeholders, targeting northeastern U.S., the European Union, Japan, and China.
- Advance Brand Nova Scotia, building on the success of Taste of Nova Scotia.
- Continue co-operative Atlantic region trade development initiatives.
- Complete and enhance the pilot international market and product development projects working with in-country consultants to develop new market opportunities.
- Complete country and product specific market research to assist industry in pursuing specific market opportunities.
- Participate in select outgoing/incoming missions and trade shows.
- Encourage industry strategic alliances to more effectively pursue trade opportunities.

## 4. Looking Forward

Nova Scotia's agriculture industry is evolving and adapting to broad trends and niche opportunities, such as apple varieties and harvest technologies. Nova Scotia agriculture is shifting its focus from primary production to value-added products for specific markets that meet new consumer demands. These innovative new products are developed using advanced scientific research and technology. Exporting offers substantial opportunities for growth. Nova Scotia's proximity to the lucrative U.S. market is a clear advantage — the industry, however, is also growing export markets around the world.

# BOATBUILDING

## 1. Sector Overview

Our \$90 million dollar boatbuilding industry continues to thrive with a phenomenal increase of 200 per cent in exports over the past five years. Nova Scotia's strong history of fishing activity originally spawned many boat shops around the province. Many of these shops still exist today, due to their dedication to quality and performance combined with a willingness to diversify. Nova Scotian boats are exported mostly for the recreational boat and pleasure craft industry, but boats are also produced for aquaculture, fishing, and patrol purposes. The tremendous growth in this industry has resulted in the creation of many new skilled jobs in our rural communities.

## 2003 Statistics

• Number of boat manufacturers	45
• Number of boat manufacturing employees (FT)	800
• Number of associated industry employees (FT)	800

## 2. Target Markets

- United States
- Caribbean

## 3. Key Initiatives

- Continue to support export growth in the boat building industry through participation in international trade shows.
- Assist in the development of a training program for new boat builders.
- Support technological advancements.
- Promote membership with the Nova Scotia Boat Builders Association for coordinated marketing and training efforts.

## 4. Looking Forward

The future is indeed bright for Nova Scotia's boat-builders. The growth in export sales is expected to continue, as our boat manufacturers work hard to meet the growing demands for Nova Scotia's quality boats. A spin-off from this growth will be an increasing

demand for skilled workers in our coastal communities. The Nova Scotia Boatbuilders Association has hired a full-time training coordinator to implement a new training and certification plan, as well as a technical advisor to help this industry remain innovative and competitive.

## Culture

### 1. Sector Overview

The culture sector is an important economic stimulus for the province. Statistics Canada\* estimates this sector contributed almost \$1.2 billion to the provincial economy in 2001, with 28,000 direct and indirect jobs depending on culture activities. Culture also plays a significant role in our society's identity, values, and development. Statistics Canada concludes that much of the health and vitality of the culture sector depends on continued government support and expansion of the export market. To help the sector make inroads into national and international markets, the Department of Tourism, Culture and Heritage will continue to work with our cultural industry partners on several growth initiatives to build greater prosperity.

- Culture's share of GDP 3%\*
- Provincial employment 5%\*
- Revenue to government \$95 million\*
- Exports in 2002 >\$9 million\*  
(more than doubling between 1997 and 2002)

### 2. Target Markets

- Central Canada
- United States (*northeastern, Los Angeles, Chicago*)
- Europe (*United Kingdom, Germany, France*)

### 3. Key Initiatives

- Support the industry's Music Sector Strategy, with a \$3 million investment over four years (annual \$750,000 investment began in 2004–05), and two new programs: the Emerging Music Business Program and the Export Development Program for Music.
- Continue to mount "Bringin' it Home! Nova Scotia Music — on Tour," an annual event with a yearly contribution of \$150,000.

- Maintain the Industries Program (annual investment of \$443,000), which provides financial assistance to cultural producers to enhance out-of-province sales and market readiness. Send craft sector leaders on an intelligence-gathering mission to the Buyer's Market of American Craft, Philadelphia. This has so far led to six craft companies exhibiting at the show. Two were nominated for awards.
- Through sector partnerships, support was secured for a Boston Trade Mission with 14 craft companies participating. The International Exposition of Sculpture Objects and Functional Art (SOFA), Chicago, was identified as a market for high-end, one-of-a-kind art. Three artists have exhibited at the show. One was featured in SOFA's national, full-page colour print advertisements.

### 4. Looking Forward

Through the Culture Division's Industry Growth Program, the division will partner with industry to support market development initiatives, including facilitating and investing in efforts to promote Nova Scotia's theatres, crafts, and visual arts. The division will also lead government's efforts to invest in Nova Scotia book publishers.

## Education and Training Service Exports

### 1. Sector Overview

Nova Scotia is host to a large and active education and training sector with great potential to help the province grow service exports, increase immigration, attract investors, and strengthen its innovation infrastructure. This sector exports in the following ways: international student recruitment to Nova Scotia; the selling of education and training to international students for use outside of the province; and the selling of consulting and training expertise and delivery of education products internationally. The value of this export activity in Nova Scotia is estimated to be approximately \$150 million annually.

• <b>Total sector value</b>	<b>\$2 billion</b>
• Universities	11
• Campus community college system	13
• Registered private career colleges	42
• School boards	8
• Number of businesses offering commercial education services and products	385
• International students (university, colleges, private language institutes 05/06)	4200
• International secondary school students (06/06)	425

## 2. Target Markets

- United States (New England, New York, and New Jersey)
- Caribbean
- Middle East (Gulf Region)
- Asia-Pacific (China, Japan, South Korea)

## 3. Key Initiatives

- Completed \$2.3 million Economic Diversification Agreement project in 2003 to increase export capacities of educational institutions — levered \$86 million in international revenue.
- Established a permanent education and training cooperative association (EduNova — Nova Scotia's Education Export Alliance) in 2004, with funding from Atlantic Canada Opportunities Agency (ACOA) and the Office of Economic Development.
- Opened the EduNova office in 2005, with funding from the membership (11 universities, Nova Scotia Community College, school boards, and private sector partners). Launched a new website to support student recruitment: [www.novascotiaeducation.com](http://www.novascotiaeducation.com)

## 4. Looking Forward

The global education and training industry is worth US\$2 trillion (World Bank), and is growing at an exponential rate. Many developing countries see education and training as a critical first step toward becoming developed nations. Nova Scotia is in a position to supply education and customized training in numerous areas through a variety of delivery modes.

# Energy

## 1. Sector Overview

Nova Scotia's resource potential continues to attract worldwide attention. A newly confirmed potential of more than 40 trillion cubic feet of natural gas in deep-water alone, and two-to-five billion barrels of oil, make Nova Scotia an attractive exploration prospect on Canada's east coast. The Sable Offshore Energy Project, in production since December 31, 1999, produces close to 500 million cubic feet per day for Canadian and American markets. Discoveries like the Deep Panuke natural gas project and the Annapolis deepwater well offer continued production potential. With our industrial infrastructure and skilled workforce, and local businesses experienced in providing goods and services to this fast-growing industry, it is easy to see why Nova Scotia has gained a competitive edge in serving international offshore operations. Nova Scotia's electricity sector also provides opportunities for continued growth, with the emergence of competitive markets, increasing renewable energy generation, and a focus on providing Nova Scotians with reliable, affordable energy.

- Nova Scotia production of electricity:  
**generation capacity 2260MW**
- Nova Scotia production of natural gas:  
**190 billion cubic feet in 2002 (approx)**
- Domestic energy use:  
**11,500 GWh in 2002 (approx)**
- Exports:  
**512 GWh in 2002**

## 2. Target Markets – Investment & Trade

- United States (Gulf and northeastern regions)
- North Sea Region
- Caribbean
- Western Canada
- Mexico

## 3. Key Initiatives

- Attract international investment by working with industry and the federal government to streamline the regulatory process to reduce approval times and drilling costs.

- Continue to encourage exploration in Nova Scotia's onshore and offshore through trade missions and key international oil and gas events.
- Promote Nova Scotia's business capacity, competitive advantage, and attractive location to markets around the world.

#### 4. Looking Forward

The Department of Energy will continue to work with business associations and individual businesses to promote energy-related products and services to local projects and international markets.

### Environmental Industries

#### 1. Sector Overview:

A leader in Atlantic Canada, Nova Scotia's environmental sector has a variety of strengths and positive positioning in niche technologies and services including water and wastewater treatment; solid waste management; water resource management; instrumentation; air monitoring services and technologies; geomatics; remediation; and engineering consulting. The average Nova Scotia environmental company has been in business for 20 years. Niche consultants and environmental technology companies focusing on the resource sector broaden the industry. With strong expertise in the oil and gas sector, Nova Scotia companies can successfully compete globally.

The World Bank estimates that US\$600–800 billion must be spent on environmental technologies between 2000 and 2010. Nova Scotia companies are taking advantage of these opportunities. The province is gaining an international reputation as a leader in solid waste management. For example, Nova Scotia was the first province in Canada to reach the nationally mandated target of 50 per cent diversion of waste from landfills by 2000. This expertise is being exported and is attracting delegations from around the world.

• Number of establishments	380
• Number of employees	5,150
• Total exports	\$28 million
• Total revenues	\$360.4 million (2002)
• Exports to United States	\$19 million

#### 2. Target Markets:

- Canada
- United States
- Caribbean
- Europe
- Asia

#### 3. Key Initiatives

- Attend key trade shows and expositions including Globe in Vancouver, Americana in Montreal, and the Caribbean Water and Wastewater Association Conference (CWWA).
- Collaborate with Team Atlantic Environment (TAE), composed of the four Atlantic government departments and respective industry associations. Its work plan includes provisions for a variety of pan-Atlantic trade-related initiatives. A recently completed market access study is being reviewed and will influence TAE's activities.
- Implement existing MOUs, including those with member countries of the Organization of Eastern Caribbean States (OECS) and Trinidad and Tobago.
- Host incoming missions on a wide variety of subjects such as solid waste management, capacity development, and environmental management.

#### 4. Looking forward

The Caribbean market holds great promise, particularly in the field of solid waste management. The department continues to entertain a number of incoming missions, which are interested in solid waste management, most recently in June 2005. Nova Scotia Environment and Labour and the industry association will continue to work with their partners to grow Nova Scotia's environmental industries to enable them to take advantage of the estimated future growth in the sector.

### Film Industry

#### 1. Sector Overview

The film and television industry in Canada was a \$4.5 billion industry in 2004–05 (Profile 2006 – CFTPA). Nova Scotia contributed \$104 million to this sum in that period. More than half of the province's production

volume is generated by companies based in the province that create, produce, and deliver high-quality, entertaining film and television productions to broadcasters and distributors in Canada and around the world. The remaining production volume is generated by guest film or television productions that have selected Nova Scotia as a location. Employing more than 2,000 Nova Scotians across a broad spectrum of professions, the film and television industry is an important contributor to the province's prosperity.

## 2. Target Markets

- Canada
- United States (Los Angeles and New York) for guest location shooting in province
- Europe (United Kingdom, France, Germany)
- Australia

## 3. Key Initiatives

- Continue a range of programs and services that support growth and development of the local film industry. These include equity investments and development loans to Nova Scotia-based company productions (\$1,874,000 and \$115,853 in 2004 and 2005, respectively).
- Invest in programs that support skills development (Partnerships in Training), export development (Travel Assistance and Feature Film Distribution) and emerging producers (CBC/NSFDC Bridge Award).
- Provide full film commission services to foreign film and television companies considering Nova Scotia as a film location. Services include access to a digital location library, free scouting service, and liaison to Nova Scotia film industry personnel.
- Administer the Film Industry Tax Credit, a key incentive for attracting productions to the province.
- Mount market development programs (Market and Festival Assistance) and initiatives such as trade missions, trade show, market and festival attendance, business development in-market trips, etc.

## 4. Looking Forward

The film and television industry is relationship-driven, with producers, distributors, and broadcasters tending to do business with domestic and international partners that they know. The business of forming these relationships, pursuing sales, and developing production partnerships occurs over time, and is centred on a series of key markets and festivals attended by industry professionals from around the world. This ongoing activity is complemented by interest in new and emerging market opportunities and new ways to expand market knowledge and develop strategic links.

The Nova Scotia Film Development Corporation will continue its business development activities with foreign markets through trade trips and festival/market attendance at the Cannes International Film Festival, Banff World Television Festival, MIPCOM, the American Film Market, and business trips to New York and Los Angeles. As well, in 2006–07 the corporation is launching a skills development program for producers to enhance their export preparedness and marketing skills.

# Fisheries and Aquaculture

## 1. Sector Overview

The fishing industry continues to provide great export value to Nova Scotia. This tradition carries on as the economic benefit rises due to innovations in harvesting, culturing, processing, and boatbuilding. Nova Scotia remains Canada's leading province in terms of fish exports, with over \$1 billion in sales in 2004. Seafood exports in Nova Scotia are second only to natural gas exports. The principal species in 2004 were lobster, crab, scallops, shrimp, cod, and hake (based on the landed value). Forty-three species were exported, which includes aquaculture products as well as wild stock landings. Our aquaculture industry maintained a steady pace with production of 14 species and an increase in the number of licensed sites.

**2004 Statistics**

- Nova Scotia licensed seafood plants 279
- Number of fishers (2002 Stats Can)
  - 3,500 core fishers
  - 11,000 non-core fishers
  - 7,500 full-time job equivalent
- Number of plant workers 7,500
- Number of aquaculture sites licensed 384
- Number of aquaculture workers (FT) 294
- Number of aquaculture workers (PT) 429–595

**2. Target Markets**

- United States – expansion beyond Boston hub
- Japan
- European Union
- Spain

**3. Key Initiatives**

- Continue to promote the Brand Nova Scotia initiative for fishery products.
- Promote market development through market research and development and trade shows.
- Support diversification through research, development, and dissemination of information.
- Continue to develop and implement federal and provincial market/trade strategies with industry stakeholders, targeting the northeastern United States, European Union, Japan, and China.
- Continue co-operative Atlantic region trade development initiatives.
- Complete and enhance the pilot international market and product development projects, working with in-country consultants to develop new market opportunities.
- Complete country- and product-specific market research to assist industry in pursuing specific market opportunities.
- Encourage industry strategic alliances to more effectively pursue trade opportunities.

**4. Looking Forward**

Nova Scotia will continue to develop its aquatic resources and produce highly valued fish products. Through constant development of improved harvesting

and culturing techniques, and new markets and products, the province has been able to increase the export value of its products in spite of the decrease in total landings. Our harvesting/culturing and processing industries are more efficient and competitive than ever. As a result, the value of the fishery continues to grow, and it is expected to persist on this course.

**Forest Industry****1. Sector Overview**

The forest industry is an important foundation sector for Nova Scotia. It is a large contributor to the province's GDP. It generates substantial export and tax revenue, and is a major employer in the rural areas. The forest industry sector includes primary forest activities, manufactured wood products, and pulp and paper products. The forest industry sector represents approximately 18 per cent, or close to \$1.0 billion, of total provincial exports, with direct employment at approximately 11,000.<sup>27</sup> The majority of exported forest products, lumber, and pulp and paper, are destined for the U.S. market. Pulp and paper represents the largest contribution to total exports.

**2. Target Markets<sup>28</sup>**

- North America (primarily the United States)
- Western Europe
- South America
- Asia

**3. Key Initiatives**

- Work with the housing and building product sector to develop export markets in Europe, the United States, and Asia (NSBI, Industry Canada, Department of Foreign Affairs and International Trade, Atlantic Canada Opportunities Agency, and Canada Mortgage and Housing Corp. are the principal partners). The wood products manufacturing sector in Nova Scotia coordinates market-related services (training, standards, market identification) through regionally based industry associations (Maritime Lumber Bureau, Wood Products Group).
- Liaise with federal, provincial, and industry stakeholders on forest product trade issues, such

<sup>27</sup> APEC Report. "The Forest Industry in the Nova Scotia Economy" - updated version, Oct. 2005

<sup>28</sup> Specific export markets currently served: US, UK, Spain, France, Netherlands, Brazil, Venezuela, India, & Hong Kong. (Industry Canada, Strategis, 2005)



as product standards, phytosanitary risks (pests), environmental responsibility, and the U.S.–Canada softwood lumber dispute. Promotes value-added approaches and productivity improvements in wood manufacturing and continues to increase public awareness to forest sustainability.

- Ensure resource and sector sustainability. The province has implemented legislation and regulations for sustainable forest harvests and resource management; the Department of Natural Resources is currently updating the province's forest strategy.

#### 4. Looking Forward

Outlook and growth for the forest industry sector is influenced by the limits to the sustainable harvest and the fundamental and cyclical nature of global demand for commodity-based products such as lumber and pulp and paper. Strategies for increasing forest-sector productivity and capacity given global market considerations, environmental commitments, and resource constraints include continued strategic stewardship and sustainable forest management; intensive forest management where applicable; greater recovery of raw materials in logging and manufacturing operations to minimize wood fiber waste; and better market use of underutilized but saleable wood, such as lower-grade hardwood and softwood species. Further growth opportunities can be achieved by diversifying into new markets and adding increasing value to products and services. In the U.S. market, the resolution of the U.S.–Canada softwood lumber dispute will create positive conditions for market stability. The forest industry throughout Canada is in a period of consolidation, due to marketplace pressures such as competition from low-cost international producers, rising energy prices, and changes in the Canada–U.S. currency exchange rate.

## Information and Communication Technologies

### 1. Sector Overview

The information and communication technology sector (ICT) is an important one to the province, with a multitude of successful companies supported by leading-edge research facilities. TARA is a unique facility with cutting-edge telecommunications research and development, GINI facilitates collaboration between university and business communities on IT research, while the National Research Council has a wireless research facility that is plugged into its national network of facilities and capabilities through its Institute for Information Technology. A strong academic community also supports the Nova Scotia ICT industry. Dalhousie University has the largest masters and doctoral classes in the country and strong research programs in privacy and security, human/computer interaction (HCI), and artificial intelligence. Other Nova Scotia universities are also active in the sector, such as St. Francis Xavier, which recently opened a high-performance computing lab. In addition to universities, the Nova Scotia Community College (NSCC) offers a strong IT program.

Number of firms:	500
Number of employees:	14,000

### 2. Target Markets

- United States (*including Silicon Valley, Boston, New York, Washington*)
- Canada
- Europe (*United Kingdom and Germany*)
- India
- Caribbean

### 3. Key Initiatives

- Provide market intelligence, training, and support for in-market activities of export-ready ICT companies.
- Showcase Nova Scotia's capabilities internationally through targeted marketing efforts.
- Build relationships with foreign-owned ICT companies that either have an existing investment in Nova Scotia or are potential investors.

- Undertake a Nova Scotia IT labour-market analysis to identify potential skill-set shortages.

#### 4. Looking Forward

The business case for Nova Scotia ICT is strong. While the cost of doing business is increasing in many offshore locations, Nova Scotia offers one of the most cost-competitive business environments in North America. The combination of Nova Scotia's advanced telecommunications infrastructure and R&D facilities provide the perfect setting, not only for attracting additional investment to the province but also for nurturing Nova Scotia-based companies. Several market opportunities exist today that provide an excellent opportunity for Nova Scotia. First is the trend towards outsourcing. Nova Scotia has a strong application development and management expertise both within the large service companies that have located here and the smaller local firms. From a nearshore location, these companies have significant potential to service the U.S. market. The other opportunity lies in the development of products for the growing security market, as Nova Scotia has a group of companies with quality products and services in the area of security.

### Life Sciences

#### 1. Sector Overview

The Nova Scotia life sciences community is built on a tradition of excellence in medical research. Considerable progress is being made by Halifax researchers in the areas of neuroscience and brain repair, cardiovascular health, cancer, and infectious diseases, attracting significant research dollars. Equally important is the strong local marine heritage. Building upon local R&D capability, the regional infrastructure that contributes to growth includes the National Research Council's Institute for Marine Biosciences, the Bedford Institute of Oceanography, the Canadian Bioinformatics Resource, and the Brain Repair Centre. In addition, companies like Precision Biologics, Ocean Nutrition Canada, Acadian Seaplants, and MedMira are focused on developing products with a global market in mind.

Number of core life sciences firms: 120 (approx)

#### 2. Target Markets

- United States
- Asia
- Europe

#### 3. Key Initiatives

- Strengthen the commercial viability of the province's life sciences sector. Key stakeholders (BioNova, NRC-IMB, InnovaCorp, OED, ACOA, and NSBI) have already initiated a process to do so. The first step is to develop a full understanding of the existing in-province sector assets (companies, university research, etc.) and identify gaps. From this, a road map and action plan will be developed to guide the sector.
- Maintain a presence at key trade shows and conventions to promote the Nova Scotia brand of products and services and the region as an investment location. Events are also instrumental in ensuring the community stays abreast of market developments.
- Explore ways to support our local companies to secure financing and partners in foreign markets. Many of Nova Scotia's growing life sciences companies are still in the process of proving the commercial viability and efficacy of their products. Entry into a foreign market for the purpose of generating sales may be premature in some cases.

#### 4. Looking Forward

The life sciences industry has the opportunity to become a key economic contributor in Nova Scotia. The current initiative to identify life science assets in the province and to develop a road map for the sector was undertaken to understand how to best grow this sector in the province.



## Mineral Resources

### 1. Sector Overview

Nova Scotia's mineral resources sector is an important foundation industry. The province's rich mineral endowment and natural advantages (abundant deepwater ice-free harbours and strategic location) ensure that this industry will continue to be an important contributor to a diversified, robust economy. In 2001, Nova Scotia's mining sector produced minerals valued at \$316 million. The industry focuses on a number of mineral commodities, including large tonnages of gypsum, salt, coal, and crushed rock aggregate for local, national, and international markets. In 2003, this industry provided direct employment to approximately 1,500 Nova Scotians, in the form of year-round, high-paying jobs, mostly in rural communities. The mineral sector also accounts for roughly 6,000 indirect jobs, mostly in the supply, service, and transportation industries. Nova Scotia exports gypsum, anhydrite, cement, crushed stone aggregate, slag, peat, barite, silica sand, salt, and several types of building stone including slate, marble, granite, and sandstone. Eastern United States, the Maritimes, Quebec, and Ontario constitute the largest export markets for Nova Scotia minerals; however, some commodities are exported globally.

### 2. Target Markets

- Eastern United States
- Europe
- Caribbean
- Central Canada
- Pacific Rim

### 3. Key Initiatives

- Maintain a world-class geosciences database to support mineral development.
- Promote Nova Scotia as a preferred location for mineral development, especially with associated secondary processing and export.
- Showcase Nova Scotia's mineral potential at national and international trade shows and conventions.
- Strengthen strategic partnerships among the Department of Natural Resources (DNR), the Office of Economic Development (OED), Enterprise Cape

Breton Corp., and other economic development and government agencies to promote opportunities for mineral development with associated secondary processing and export.

- Develop and implement a minerals strategy for Nova Scotia.

### 4. Looking Forward

Export opportunities for Nova Scotia's mineral sector may result from the replacement of aging infrastructure in the northeastern United States; the growing use of high-whiteness, calendared papers; the increased use of natural stone in commercial and residential construction in North America; a reduction in the volume of synthetic gypsum produced in coal-fired electrical generating stations; worldwide population growth that will provide new markets for Nova Scotia agricultural peat products; and the development of a petrochemical industry.



## 9.0 **Go-Ahead Program (GAP) and ExportAbility Program**

*These programs will play a vital role in the success of **Going Global, Staying Local**. This new export-development funding mechanism will assist in the growth and long-term sustainability of Nova Scotia firms in all sectors, specifically small and medium-sized enterprises (SMEs). The program will help new exporters ready themselves to enter foreign markets. Financial incentives will encourage firms to pursue export growth through a sustained and systematic approach.*

In addition to the challenges of a rapidly changing, highly competitive global market, Nova Scotia companies say they are facing internal challenges that impede or prevent them from exporting. These challenges are twofold: a lack of understanding of exporting processes (knowledge) and a lack of capital to finance market development (money).

The GAP and ExportAbility programs will complement existing programs and funding mechanisms available to exporters today. They are highly focused programs and will help all new and potential SME exporters meet the specific challenges they face. They are designed to influence outcomes and behaviors such as:

- new export entries – companies export for the first time
- market diversification – firms are able to limit risk exposure
- a consistent and sustained export focus
- increased knowledge of trade regulation and exporting practices
- improved productivity through global competitiveness

These outcomes align with the province's economic growth strategy, *Opportunities for Sustainable Prosperity 2006*, which expresses a need for Nova Scotia to "increase both the value of our trade and the number of companies that engage in trade."

In keeping with federal priorities for export development and the needs of Nova Scotia businesses, achieving these outcomes requires us to support our business community by:

- ensuring that firms are aware of the global issues that impact their business and have access to the resources they need to succeed
- partnering with SMEs to mitigate the risks they face in pursuing export markets

Specifically, the programs will support SMEs in their efforts to boost competitiveness through improved knowledge and skills, and achieve a more consistent, sustained focus on export growth and development.

Administered by Nova Scotia Business Inc. (NSBI), the programs are designed to be both flexible and

efficient. Streamlined (low-burden) administrative processes will ensure rapid turnaround of applications and a responsive approach that maximizes the benefits to firms and the provincial economy.

## **Components of the "Go-Ahead Program (GAP)" and "ExportAbility."**

### **Go-Ahead Program (GAP)**

The Go-Ahead Program (GAP) will help exporters convert leads into sales. It will do this by helping SMEs cover the costs of international follow-up market visits to prospects identified through previous provincial export development initiatives. By supporting firms to return to market to pursue these opportunities, GAP will play a key role in helping SMEs realize their export and revenue growth potential.

Many of Nova Scotia's export development initiatives set the stage for exporters — they support trade show participation and trade mission or individual sales prospecting. All aim to identify qualified buyers, distributors, or business partners in export markets. These efforts can be very effective in identifying opportunities, expanding contact networks, and initiating the process that ultimately leads to new export sales. But prospecting is just the first step. It paves the way. The next steps are to pursue leads, work them persistently, and establish a strong position in the sales cycle. Most importantly, business relationships must be cultivated over time to achieve positive outcomes.

Concepts of business development vary by industry and market. But one consistent belief seems to hold true around the world — *people do business with those they know, like, and trust*. In most cases, this means a long-term and consistent commitment to developing a new market. Strengthening business relationships takes time. It can also call for return visits to market to advance the sales process, deal with objections, solve technical issues or, ultimately, to close the sale. These personal sales calls are costly endeavors, especially outside of Canada. GAP will

support this essential activity by sharing the risk that companies face in developing new export sales.

The GAP supports Nova Scotia firms that have participated in provincial government or agency export initiatives such as trade missions, shows, or conferences. These firms can pursue national and international business leads<sup>29</sup> generated during these activities, with funding support to meet with potential clients/partners abroad — or to have these individuals travel to Nova Scotia. Successful applicants can access up to \$15,000 per fiscal year, in the form of non-repayable contributions. These contributions will not exceed 50 per cent of approved eligible costs, to a maximum contribution of \$5,000 per project application.

For the pilot program, we expect that 30 to 55 companies will be able to return to market to further negotiations or advance client relations.

### **ExportAbility**

The Government of Nova Scotia is committed to increasing the skill levels of trade professionals within the province. ExportAbility aims to equip Nova Scotia SMEs with the skills they need to become export-ready. The program will support continuing professional development in the practice of international trade. Eligible programs will promote a practical understanding of the steps involved in international trade and address the needs of working professionals.

Training through ExportAbility could include structured trade training programs delivered through accredited associations, such as the Forum for International Trade Training, or workshops and seminars provided by registered societies with a mandate to foster export growth within their membership. Examples include workshops on market readiness, export development, cultural considerations, and international trade arbitration.

Successful applicants can access up to \$4,000 per fiscal year, in the form of a non-repayable contribution. This contribution will not exceed 75 per cent of approved program costs. The minimum project cost that can be considered in any single application is \$150.

The program will be administered through NSBI, with

the program administrator submitting quarterly reports to the Provincial Trade Committee.

We expect 25 to 50 individuals to enhance their skills and improve their ability to compete and succeed internationally by participating in the ExportAbility pilot program.

## **Information and Guidelines**

### **Go-Ahead Program (GAP) Information and Guidelines**

The GAP supports SME's efforts to develop national and international business opportunities, with the end goal of completing an export sale. Nova Scotia firms that have recently participated in a provincial government or agency export initiative — such as (but not exclusive to) trade missions, shows, or conferences — are eligible for GAP. These firms can access funding to assist them in following up on leads made during these activities, by travelling to meet with potential clients or partners, or to have these individuals travel to Nova Scotia.

#### **Eligibility criteria:**

- Incorporated businesses, partnerships, proprietorships, or educational institutions based in Nova Scotia.
- Applicants must possess, manufacture, or produce a bona-fide exportable product or service, technology, or intellectual property.
- Applicants must have sufficient management and marketing capability to pursue the opportunity, as well as sufficient financial capacity to undertake the project.
- A written trade strategy may be required.
- Applicants must have participated in a provincial or federal government sponsored trade mission, trade show, or conference within one year (12 months) of applying for funding.
- No top-up of programs will be allowed.

<sup>29</sup> National is defined by opportunities outside of the Maritime Provinces but within Canada.

**Shared eligible costs include:**

- return economy airfare or equivalent transportation to visit a client in another market or for a foreign client to visit the organization's Nova Scotia facilities
- intercity ground transportation
- standard-class accommodations
- certain fees of arms-length cultural consultants, translators, or interpreters
- costs to produce marketing materials and presentations specifically designed for this sales visit, including writing and design
- car rental

*Applicants are responsible for 100 per cent of all other costs.*

**Supported activities:**

- The maximum contribution is \$15,000 per fiscal year (April 1–March 31).
- Non-repayable contributions will not exceed 50 per cent of approved eligible costs, to a maximum contribution of \$5,000 per project application.
- The minimum project cost that can be considered in any single application is \$1000.
- A decision can normally be expected within 10 to 15 working days.
- Funding can be used to assist with activities necessary to follow up on an identified business opportunity stemming from the attended trade mission, trade show, or conference.
- The opportunity must be outside the Maritime Provinces.

**Typical activities:**

- in-market follow-up meetings with prospective partners, clients, and foreign officials
- development of proposal, presentations, or materials specific to the export application
- in-bound visits by potential clients

**Costs and activities that are not eligible:**

- early stage prospecting
- market research/marketing plans
- trade missions, trade shows, fairs, or exhibitions
- transportation of goods or equipment

- salaries, commission, or per diem expenses
- meals, entertainment, and hospitality costs
- phone/fax/internet
- travel immunization, insurance, or medical expenses
- PST, GST/HST, and VAT

The eligibility of all costs will be determined on a case-by-case basis by the trade officer and program administrator. GAP cannot support any project costs that have, or will receive, a financial contribution through another federal or provincial government program.

**ExportAbility Information and Guidelines**

The objective of ExportAbility is to ensure that Nova Scotia SMEs are equipped with skills they need to become export savvy. The program supports continuing professional development in the practice of international trade. Eligible programs will promote a practical understanding of the steps involved in international trade and will focus on addressing the needs of working professionals.

**Eligibility criteria:**

- Applicants must be employed within the Nova Scotia private sector by firms that are either currently exporting or seeking to become export ready.
- The applicant's employer must possess, manufacture, or produce a bona-fide exportable product or service, technology, or intellectual property.
- A written trade strategy may be required.
- No top-up of programs will be allowed.

**Eligible costs:**

- course or workshop registration fee
- official course materials (if not included in registration fee)
- exam fees

**Non-eligible costs:**

- meals, accommodations, or transportation expenses (including parking)
- PST, GST/HST, and VAT

The eligibility of all costs will be determined on a case-by-case basis by the program administrator. ExportAbility cannot support any project costs that have received, or will receive, a financial contribution through another federal or provincial government program.

**Supported activities:**

- The maximum contribution is \$4,000 per applicant per fiscal year (April 1–March 31).
- Non-repayable contributions will not exceed 75 per cent of eligible costs.
- The minimum project cost that can be considered in any single application is \$150.
- A decision can normally be expected within 10 to 15 working days.

**Eligibility Criteria (Programs)**

Accredited trade training programs such as Forum for International Trade Training (FITTSkills)

Additional trade training programs may be considered, such as those offered by registered societies in Nova Scotia that have a mandate to foster export growth within their membership. See program administrator for details.

**ExportAbility administration and claiming process**

- Applicants will submit a written application to the program administrator.
- Applications are checked to ensure the established criteria have been met and that the application is completed properly. The program administrator will inform the applicant of their confirmed eligibility.
- All disbursements under the program are made on a reimbursement basis for direct costs incurred (advances are not provided). In addition to the claim form, the program administrator will require copies of a paid invoice and course certificate to process payment.
- Wherever possible, disbursements will be requisitioned within two weeks of receiving an acceptable claim.

